United Commercial Bank Ltd., Calcutta v. Commissioner of Income-tax, West Bengal

Civil Appeal 161 of 1954

[1958] SCR 79 | 1957-05-23

Historical interpretation: Indian Income-tax Act 1922, sections 6, 8, 10 and 24(2)

Indian Income-tax Act 1922, sections 6, 8, 10 and 24(2)

3-judge bench | N. H. Bhagwati | T. L. Venkatarama Ayyar | J. L. Kapur

Historical statutory scope and source qualifications

Historical separate head for interest on securities; current provisions not verified. The 1957 decision is distinct from the later United Commercial Bank judgment in the canonical collection. No final section 24(2) entitlement decided.

01 FACTS OF THE CASE

A bank sought to set off a prior-year business loss of Rs. 3,21,929 against current securities interest. Authorities treated interest under section 8 separately from business profits under section 10 and refused carry-forward set-off.

Source: Primary report: SCR 80–83

02 DISCUSSION BY THE HON'BLE COURT

The statutory computation heads were mutually exclusive: securities interest remained under section 8 even if securities were trading assets. However, the broadly framed reference permitted the alternative argument that such interest arose from the same banking business for section 24(2).

Source: Primary report: SCR 87–99

03 JUDICIAL DECISION

Appeal allowed and reference remitted for a fuller Tribunal statement on whether securities were trading assets of the banking business, followed by fresh High Court decision. Costs of appeal to be costs in the reference.

Source: Primary report: SCR 100

04 OUTCOME / IN WHOSE FAVOUR

Assessee obtained remand only. The Court upheld the section 8 classification but expressly did not decide the competing section 24(2) arguments without the missing factual finding.

Source: Primary report: SCR 97–100

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05 AKHB REVIEW POINT

Distinguish head of income from underlying business identity and do not portray this judgment as final allowance of loss set-off. Establish the actual trading-asset finding and statutory version applicable.

Source: Primary report: SCR 98–100

SOURCE & VERIFICATION

Supreme Court Reports primary scan — public eSCR mirror

Complete 22-page Supreme Court Reports scan. Any adjoining report fragments remain in the unchanged original and are excluded from this analysis.

Open cited source rendition

STATUTORY SCOPE

Historical legislation expressly identified in this note. This is not a decision under the Income-tax Act, 1961 or the Income-tax Act, 2025. Verify enacted wording, commencement, transition and subsequent judicial treatment independently before modern reliance.

LATER TREATMENT

Source checked 2026-10-23. Subsequent treatment and present-law applicability have not been comprehensively checked.

AI DISCLOSURE

This AKHB research note uses AI assistance and a preserved full-primary review, with refreshed exact original-byte verification. Independent human review is not represented.

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